

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-0797-PWS-E **TCEQ ID:** RN101281616 **CASE NO.:** 33537
RESPONDENT NAME: Caddo Lake Water Supply Corporation

| | | |
|--|---|--|
| ORDER TYPE: | | |
| <input type="checkbox"/> 1660 AGREED ORDER | <input checked="" type="checkbox"/> FINDINGS AGREED ORDER | <input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING |
| <input type="checkbox"/> FINDINGS DEFAULT ORDER | <input type="checkbox"/> SHUTDOWN ORDER | <input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER |
| <input type="checkbox"/> AMENDED ORDER | <input type="checkbox"/> EMERGENCY ORDER | |
| CASE TYPE: | | |
| <input type="checkbox"/> AIR | <input type="checkbox"/> MULTI-MEDIA (check all that apply) | <input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE |
| <input checked="" type="checkbox"/> PUBLIC WATER SUPPLY | <input type="checkbox"/> PETROLEUM STORAGE TANKS | <input type="checkbox"/> OCCUPATIONAL CERTIFICATION |
| <input type="checkbox"/> WATER QUALITY | <input type="checkbox"/> SEWAGE SLUDGE | <input type="checkbox"/> UNDERGROUND INJECTION CONTROL |
| <input type="checkbox"/> MUNICIPAL SOLID WASTE | <input type="checkbox"/> RADIOACTIVE WASTE | <input type="checkbox"/> DRY CLEANER REGISTRATION |
| <p>SITE WHERE VIOLATION(S) OCCURRED: Caddo Lake WSC Mossy Acres, north of Farm-to-Market Road 2198 in Mossy Acres Subdivision, Harrison County</p> <p>TYPE OF OPERATION: Public water supply</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 14, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Tel Croston, Enforcement Division, Enforcement Team 2, MC 169, (512) 239-5717; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Gary Kempf, President, Caddo Lake Water Supply Corporation, P.O. Box 136, Karnack, Texas 75661 Ms. Judy VanDeventen, Secretary, Caddo Lake Water Supply Corporation, P.O. Box 136, Karnack, Texas 75661 Respondent's Attorney: Not represented by counsel on this enforcement matter</p> | | |

VIOLATION SUMMARY CHART:

| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
|---|--|---|
| <p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 24, 2007</p> <p>Date of NOV/NOE Relating to this Case: March 17, June 9, July 20, 2006; January 2, January 30 and May 26, 2007 (NOVs); April 26, 2007 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>WATER</p> <p>Failure to comply with the Maximum Contaminant Level ("MCL") of 0.80 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on a running annual average [30 TEX. ADMIN. CODE § 290.113(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].</p> | <p>Total Assessed: \$760</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$760</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification:</p> <p>The Respondent had three or more repeated enforcement actions over the prior five year period for same or similar violations.</p> | <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a) Within 365 days after the effective date of the Agreed Order, return to compliance with the running annual average MCL for TTHM; and</p> <p>b) Within 380 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p> |

Additional ID No(s): PWS 1020084



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 26, 2007

TCEQ

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|-------------|
| DATES | Assigned | 21-May-2007 | Screening | 21-May-2007 | EPA Due | 30-Sep-2007 |
| | PCW | 13-Jun-2007 | | | | |

| | |
|--|-------------------------------------|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Caddo Lake Water Supply Corporation |
| Reg. Ent. Ref. No. | RN101281616 |
| Facility/Site Region | 5-Tyler |
| Major/Minor Source | Minor |

| | | | | |
|--------------------------|----------------------|--------------------------|-------------------|---------|
| CASE INFORMATION | | | | |
| Enf./Case ID No. | 33537 | No. of Violations | 1 | |
| Docket No. | 2007-0797-PWS-E | Order Type | Findings | |
| Media Program(s) | Public Water Supply | Enf. Coordinator | Anita Keese | |
| Multi-Media | | EC's Team | EnforcementTeam 2 | |
| Admin. Penalty \$ | Limit Minimum | \$50 | Maximum | \$1,000 |

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** \$500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 27% Enhancement **Subtotals 2, 3, & 7** \$135

Notes The penalty enhancement is due to five prior Notices of Violation (NOVs) for the same or similar violations as those in the current enforcement action and one NOV with dissimilar violations.

Culpability Yes 25% Enhancement **Subtotal 4** \$125

Notes The Respondent was issued an alert letter for total trihalomethanes ("TTHM") on August 27, 2005.

Good Faith Effort to Comply 0% Reduction **Subtotal 5** \$0

Before NOV NOV to EDRP/Settlement Offer

| | | |
|---------------|---|---------------|
| Extraordinary | | |
| Ordinary | | |
| N/A | X | (mark with x) |

Notes The Respondent does not meet the good faith criteria.

Total EB Amounts \$525 **0% Enhancement*** **Subtotal 6** \$0
Approx. Cost of Compliance \$3,000 ***Capped at the Total EB \$ Amount**

SUM OF SUBTOTALS 1-7 **Final Subtotal** \$760

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment** \$0

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount \$760

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** \$760

DEFERRAL 0% Reduction **Adjustment** \$0

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY \$760

Screening Date 21-May-2007

Docket No. 2007-0797-PWS-E

PCW

Respondent Caddo Lake Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 33537

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN101281616

Media [Statute] Public Water Supply

Enf. Coordinator Anita Keese

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Enter Number Here | Adjust. |
|-------------------------------|--|-------------------|---------|
| NOVs | Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria) | 5 | 25% |
| | Other written NOVs | 1 | 2% |
| Orders | Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria) | 0 | 0% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (number of counts) | 0 | 0% |
| Emissions | Chronic excessive emissions events (number of events) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted) | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed) | 0 | 0% |
| Please Enter Yes or No | | | |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2) 27%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

N/A

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

The penalty enhancement is due to five prior Notices of Violation (NOVs) for the same or similar violations as those in the current enforcement action and one NOV with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 27%

Screening Date 21-May-2007

Docket No. 2007-0797-PWS-E

PCW

Respondent Caddo Lake Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 33537

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN101281616

Media [Statute] Public Water Supply

Enf. Coordinator Anita Keese

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 290.113(f)(4) and Tex. Health & Safety Code § 341.0315(c)

Violation Description

Failed to comply with the Maximum Contaminant Level ("MCL") of 0.80 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on a running annual average. Specifically, the running annual average for TTHM was 0.112 mg/L for the fourth quarter of 2005, 0.223 mg/L for the first quarter of 2006, and 0.210 mg/L for the second quarter of 2006, 0.176 mg/L for the third quarter of 2006, and 0.190 mg/L for the fourth quarter of 2006, as documented during a record review conducted on April 24, 2007.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | x | |
| Potential | | | |

Percent 25%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0%

Matrix Notes

Failure to comply with the MCL for TTHM resulted in the exposure of customers of the water supply to a significant amount of contaminants which did not exceed levels that are protective to human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 2

456 Number of violation days

| | | |
|----------------------------|--------------|---|
| mark only one with an x | daily | |
| | monthly | |
| | quarterly | |
| | semiannual | |
| | annual | x |
| | single event | |

Violation Base Penalty \$500

Two annual events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$525

Violation Final Penalty Total \$760

This violation Final Assessed Penalty (adjusted for limits) \$760

Economic Benefit Worksheet

Respondent Caddo Lake Water Supply Corporation
Case ID No. 33537
Reg. Ent. Reference No. RN101281616
Media Public Water Supply
Violation No. 1

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| No commas or \$ | | | | | | | |

Delayed Costs

| | | | | | | | |
|--------------------------|---------|------------|-------------|-----|------|-------|-------|
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | \$3,000 | 1-Oct-2005 | 31-Mar-2008 | 2.5 | \$25 | \$500 | \$525 |
| Engineering/construction | | | | 0.0 | \$0 | \$0 | \$0 |
| Land | | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.0 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | n/a | \$0 |

Notes for DELAYED costs

The delayed costs include the amount to implement an alternative method of disinfection, calculated from the date when the first exceedances occurred to the projected compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|-----|-----|-----|-----|
| Disposal | | | | 0.0 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.0 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.0 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.0 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.0 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

There are no avoided costs associated with this violation.

Approx. Cost of Compliance

\$3,000

TOTAL

\$525

Compliance History

| | | | | |
|---|---|-------------------------------------|-----------------|----------------|
| Customer/Respondent/Owner-Operator: | CN600707863 | Caddo Lake Water Supply Corporation | Classification: | Rating: |
| Regulated Entity: | RN101281616 | CADDO LAKE WSC MOSSY ACRES | Classification: | Site Rating: |
| ID Number(s): | PUBLIC WATER SYSTEM/SUPPLY | | REGISTRATION | 1020084 |
| Location: | LOCATED N OF FM 2198 IN MOSSY ACRES SUBDIVISION IN HARRISON CO | | | |
| TCEQ Region: | REGION 05 - TYLER | | | |
| Date Compliance History Prepared: | May 21, 2007 | | | |
| Agency Decision Requiring Compliance History: | Enforcement | | | |
| Compliance Period: | May 21, 2002 to May 21, 2007 | | | |
| TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History | | | | |
| Name: | Anita Keese | | Phone: | (956) 430-6034 |

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- | | | |
|---|------------|----------|
| 1 | 10/20/2003 | (251952) |
| 2 | 03/17/2006 | (557314) |
| 3 | 06/09/2006 | (559865) |
| 4 | 07/20/2006 | (559868) |
| 5 | 01/02/2007 | (559870) |
| 6 | 01/30/2007 | (559873) |
| 7 | 05/11/2007 | (556952) |
| 8 | 05/14/2007 | (560104) |
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- | | | | | |
|--------------|---|----------|-----------------|----------|
| Date: | 03/17/2006 | (557314) | Classification: | Moderate |
| Self Report? | NO | | | |
| Citation: | 30 TAC Chapter 290, SubChapter F 290.113(f)(4) | | | |
| Description: | Violated the maximum contaminant level for trihalomethanes during the fourth quarter of 2005. | | | |
| Date: | 06/09/2006 | (559865) | Classification: | Moderate |
| Self Report? | NO | | | |
| Citation: | 30 TAC Chapter 290, SubChapter F 290.113(f)(4) | | | |
| Description: | Violated the maximum contaminant level for Trihalomethanes during the first quarter of 2006. | | | |
| Date: | 07/20/2006 | (559868) | Classification: | Moderate |
| Self Report? | NO | | | |
| Citation: | 30 TAC Chapter 290, SubChapter F 290.113(f)(4) | | | |
| Description: | Violated the maximum contaminant level for Trihalomethanes during the second quarter of 2006. | | | |
| Date: | 01/02/2007 | (559870) | Classification: | Moderate |
| Self Report? | NO | | | |

Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
Description: Violated the maximum contaminant level for Trihalomethanes during the third quarter of 2006.
Date: 01/30/2007 (559873)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
Description: Violated the maximum contaminant level for Trihalomethanes during the fourth quarter of 2006.
Date: 05/17/2007 (556952)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(3)
Description: Failure to provide overflow pipe cover with a gap of no more than 1/16 inch.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
Description: Failure to maintain the fence in good condition and close to surface grade.

F. Environmental audits.
N/A

G. Type of environmental management systems (EMSs).
N/A

H. Voluntary on-site compliance assessment dates.
N/A

I. Participation in a voluntary pollution reduction program.
N/A

J. Early compliance.
N/A

Sites Outside of Texas
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CADDO LAKE WATER SUPPLY
CORPORATION
RN101281616

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2007-0797-PWS-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Caddo Lake Water Supply Corporation ("Caddo Lake WSC") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and Caddo Lake WSC presented this agreement to the Commission.

Caddo Lake WSC understands that they have certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Caddo Lake WSC agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon Caddo Lake WSC.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. Caddo Lake WSC owns and operates a public water supply north of Farm-to-Market 2198 on the north side of Mossy Acres Subdivision, Harrison County, Texas (the "Facility") that has

approximately 121 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review on April 24, 2007, TCEQ staff documented that Caddo Lake WSC exceeded the Maximum Contaminant Level ("MCL") of 0.80 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on a running annual average. Specifically, the running annual average for TTHM was 0.112 mg/L for the fourth quarter of 2005, 0.223 mg/L for the first quarter of 2006, and 0.210 mg/L for the second quarter of 2006, 0.176 mg/L for the third quarter of 2006, and 0.190 mg/L for the fourth quarter of 2006.
3. Caddo Lake WSC received notice of the violations by letters dated March 17, June 9, July 20, 2006, January 2 and 30, and May 26, 2007.

II. CONCLUSIONS OF LAW

1. Caddo Lake WSC is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, Caddo Lake WSC failed to comply with the MCL of 0.80 mg/L for TTHM, in violation of 30 TEX. ADMIN. CODE § 290.113(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against Caddo Lake WSC for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of Seven Hundred Sixty Dollars (\$760) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). Caddo Lake WSC has paid the Seven Hundred Sixty Dollar (\$760) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Caddo Lake WSC is assessed an administrative penalty in the amount of Seven Hundred Sixty Dollars (\$760) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Caddo Lake WSC's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent

with the notation "Re: Caddo Lake Water Supply Corporation, Docket No. 2007-0797-PWS-E"
to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. Caddo Lake WSC shall undertake the following technical requirements:

- a. Within 365 days after the effective date of the Agreed Order, return to compliance with the running annual average MCL for TTHM, in accordance with 30 TEX. ADMIN. CODE § 290.113; and
- b. Within 380 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section Manager
Tyler Regional Office
Texas Commission on Environmental Quality
2916 Teague Drive
Tyler, Texas 75701-3756

3. The provisions of this Agreed Order shall apply to and be binding upon Caddo Lake WSC. Caddo Lake WSC is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Caddo Lake WSC shall be made in writing to the Executive Director. Extensions are not effective until Caddo Lake WSC receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Caddo Lake WSC if the Executive Director determines that Caddo Lake WSC has not complied with one or more of the terms or conditions in this Agreed Order.
6. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
7. This Agreed Order, issued by the Commission, shall not be admissible against Caddo Lake WSC in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

Caddo Lake Water Supply Corporation
DOCKET NO. 2007-0797-PWS-E
Page 5

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Sullivan
For the Executive Director

1/29/2008
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Caddo Lake Water Supply Corporation. I am authorized to agree to the attached Agreed Order on behalf of Caddo Lake Water Supply Corporation, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Caddo Lake Water Supply Corporation waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Judy Van Deventer
Signature

November 14, 2007

Date

Judy VANDeventer
Name (Printed or typed)
Authorized Representative of
Caddo Lake Water Supply Corporation

Secretary
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

